

The AM Broadcasters Association, Inc., organized in 1996 as a result of the Telecom Act of 1996, to protect the interests and ensure the viability of independently owned and operated AM radio stations throughout the US firmly object to the current proposal for AM digital broadcasting, based upon the following:

The advent of the Telecom Act of 1996 has, six years later created a much worse picture than we had originally anticipated six years ago; the number of radio stations owners has declined by twenty-percent plus as a result of the rapid and on-going consolidation and the number of operating AM stations continues to decline with each passing year.

We agree and appreciate the concept of digital AM, and in fact would encourage it under other conditions. However, our chief reason for rejecting the current proposal is the extraordinary costs and financial burdens that will be place on the smaller, independent AM radio stations in the US.

We reject the idea of the FCC sanctioning the payments of royalties to the developers of the IBOC technology (iBiquity). This brings into question several legal questions to include fair-trade, anti-trust and monopolies. This idea has been widely reported in various broadcast trades. iBiquity is owned by a several of the major radio consolidators which have been allowed to consolidate nearly fifty percent (50%) of the radio stations in the US since enactment of the Telecom Act of 1996. Is it the FCC's desire to give these few companies which control 50% of all commercial radio in the US complete control over the digital broadcasting of radio signals in the US and hold all stations hostage by requiring a royalty payment on a government mandated broadcast standard?

We encourage the FCC to consider the comments filed in this matter by the Office of Advocacy, U.S. Small Business Administration, dated January 24, 2000, which states the FCC is not adequately considering the financial impact upon small business and in fact states this current FCC proposal does not satisfy the requirements of the Regulatory Flexibility Act of 1980 as amended by the Small Business regulatory Fairness Act of 1996, Subtitle II of the Contract with America Act.

Until the FCC follows the recommendations by the U.S. small Business Administration in this proposal the transition to digital radio should be halted. Additionally, the FCC must address the issue of any "royalty" payments to iBiquity or any other entity for the use of a digital broadcast standard sanctioned by the federal government.

The FCC must also address the issues of fair trade, monopolies and other legal implications created by the consortium which makes up the entity known as "iBiquity".